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OXC-4135-62

Cy 208
16 November 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Definitive Contract No. DK-3663 with
L-A-C, Project OXCART/TAGBOARD

1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in paragraph 6.
2. Contract No. DK-3663 covers a feasibility study for a drone configuration known as the Q-12. This is a Fixed Price redeterminable type of contract.
3. Tagboard FY-63 funds in the amount of \$500,000 should be obligated. By concurrence to this memorandum the Comptroller signifies that the funds have been noted and will be recorded when available.
4. The services and equipment being procured by this contract are in furtherance of the OXCART/TAGBOARD Program, the nature of which cannot be publicly disclosed for security reasons. The undersigned Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC-2122, signed by the DDCI on 25 October 1961.
5. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.
6. Concurrence in Definitive Contract No. DK-3663 is recommended.

111
[Redacted]
Contracting Officer, USA

CONCURRENCES:

15/
[Redacted]
Comptroller, USA

25 Nov 62
Date

25X1A

25X1A

JOHN PARANGIOSKY, CH/DD/OSA

Date

25X1A

[Redacted]

DATE

OGC

25X1A

CD/OSA-DD/R, [Redacted]:mrc

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OXC-4136-62

COPY 3 of 5

NEGOTIATED CONTRACT

Contract No. DK-3663

Lockheed Aircraft Corporation
Burbank, California

Contract for: (See Schedule)

Amount: (See Schedule)

Mail Invoices To:

Performance Period: See Schedule

Inspection Point:
Contractor's Plant, Burbank or
Bakersfield, California
and/or Area

Administrative Data

This contract is entered into, by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the above-named Contractor which is a corporation, incorporated in the State of California, hereinafter called the Contractor.

The parties hereto agree that the Contractor shall furnish the facilities and deliver all supplies and perform all the services set forth in the attached Schedule issued hereunder, for the consideration stated therein.

The rights and obligations of the parties to this Contract shall be subject to and governed by the attached Schedule, and General Provisions, which together with this signature page and the accompanying certificate, comprise this Contract No. DK-3663. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of _____, 1962.

28 NOV 1962

Signatures:

LOCKHEED AIRCRAFT CORPORATION

BY CLARENCE L. JOHNSON
TITLE Vice President

THE UNITED STATE OF AMERICA

BY _____
TITLE Contracting Officer

SECRET

CONTRACT NO. DK-3663

CERTIFICATE

25X1A I, , certify that I am
the Secretary of the Corporation named as Contractor
herein; that Clarence L. Johnson who signed this Contract
on behalf of the Contractor was then Vice President
of said Corporation; that said Contract was duly signed for and in behalf
of said Corporation by authority of its governing body, and is within the
scope of its Corporate powers.

25X1A (Corporate Seal)

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Contract No. DK-3003

SCHEDULE

PART I - STATEMENT OF WORK

The Contractor shall furnish engineering services and materials as necessary to accomplish the work set forth below.

- a. Evaluate optimum drone configuration to carry a payload of 300 pounds a total range of 3000 nautical miles when launched from an A-12 vehicle.
- b. Run wind tunnel tests in the Contractor's and NASA tunnels to obtain aerodynamic data on the drone and the drone plus the A-12 launcher to evaluate the separation problem, duct recovery, drag, and stability factors.
- c. Evaluate optimum structural material for minimum cost and weight of the vehicle.
- d. Construct a full scale mockup of the drone. This mockup will be so configured that it will be suitable for mounting on the A. R. test pole. It will include one configuration of chine blankets, vertical tail (or tails), and one inlet spike for initial A. R. tests.
- e. Obtain rough A. R. evaluation at Area 51. Complete tests cannot be obtained in the time period noted or within the cost stated above. The range facilities and H.Q. & G. services would be provided at no cost to the Contractor.
- f. Contact power plant and equipment vendors to obtain data on the performance, delivery aspect and cost of required systems.
- g. Prepare a summary report on test results, the final configuration, program costs, flight tests, and delivery schedules for 20 vehicles. Include studies and costs for conversion of two A-12 aircraft to drone launchers.

PART II - DELIVERY

The Contractor shall accomplish the work and furnish the data to the Government by 2 January 1963.

PART III - CONSIDERATION AND PAYMENT

a. The total contract price for the work set forth in PART I is \$454,546.00. This price is subject to the provisions of the clause hereof entitled "Retroactive Price Redetermination After Completion."

b. There is hereby allotted for the performance of this contract the sum of \$454,546.00, subject to availability to the Government of appropriated FY-63 funds for this purpose.

PART IV - OVERTIME

It is recognized and agreed that overtime will be required in order to fulfill the performance schedule of the contract. The Contractor agrees to limit such overtime, insofar as practicable, consistent with meeting such schedule. Therefore, no restrictions are imposed on such overtime and prior approvals therefore are not required.

PART V - SUBCONTRACTS

For the purpose of this contract, the Contracting Officer has approved the Contractor's purchasing system. Such approval shall be deemed to satisfy any requirements for approval of such subcontracts and purchase orders contained herein.

PART VI - WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the clauses of the General Provisions of this contract to the contrary, whenever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval by the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

PART VII - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature of any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized

representative for security matters, and notwithstanding any clause or section of this contract to the contrary, the Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

PART VIII - ANTICIPATORY COSTS

All costs which have been incurred on and after 1 October 1962 by the Contractor in anticipation of this contract and prior to the signing thereof, and, which if incurred after the signing of this contract would have been considered as allowable items of cost, shall be allowable items of cost in redetermination of the contract price.

PART IX - RETROACTIVE PRICE REDETERMINATION AFTER COMPLETION

a. Because of the nature of the work called for by this contract and the uncertainty as to cost of performance hereunder, the parties agree that the contract price hereof may be adjusted in accordance with the provisions of this clause.

b. Within sixty (60) days after the completion of termination of this contract, the Contractor will prepare and submit to the Contracting Officer, a revised price proposal for the services and work furnished on the contract, supported by a cost statement, itemized so far as is practical in the manner prescribed by DD Form 784, together with such other information as may be pertinent in the negotiation for a revised price pursuant to this clause. The Contracting Officer shall have the right at all reasonable times to make or cause to be made such examinations and audits of the Contractor's books, records, and accounts as he may request.

c. Upon the filing of the statement and other pertinent information required by paragraph b. of this clause, the Contractor and the Contracting Officer will promptly negotiate in good faith to agree upon a reasonable revised price for the entire contract which, upon the basis of such statements and other pertinent information, will constitute fair and just compensation to the Contractor for the performance of this contract. In establishing such revised price, the following shall control: The contract price set forth in PART III, as such contract price has been adjusted pursuant to the clause hereof entitled "Changes," shall be redetermined upward to a maximum of one hundred ten percent, (110%) of such contract price. The contract price set forth in PART III shall also be redeterminable downward. The Contractor will exert his best efforts to perform the work for less than the contract price. It is agreed that in the event the total of all costs are less than such contract price, as adjusted pursuant to the clause hereof entitled "Changes," the Contractor shall be allowed to retain the difference between the contract price and total costs up to a maximum of fifteen percent (15%) of the contract price. In no event shall the final price exceed \$500,000.00.

d. If within ninety (90) days after completion or termination of this contract or such further period as may be fixed by written agreement, the parties shall fail to agree upon a revised price in accordance with the provisions of this clause, the failure to agree shall be deemed to be a disagreement as to a question of fact which shall be disposed of in accordance with the clause herein entitled "Disputes."

e. In the event of a price increase, the Government will pay or credit to the Contractor the amount by which the revised price shall exceed the contract price aforesaid. In the event of a decrease in price, the Contractor will repay or credit the amount of such decrease to the Government in such manner as the Contracting Officer may direct.

f. For any of the purposes of the clause herein entitled "Termination for the convenience of the Government." (including without limitation computation of the "total Contract price" and the "contract price of work not terminated"), the contract price shall be the revised contract price, agreed upon under paragraph c. of this clause or determined under paragraph d. of this clause, as the case may be.

PART X - CONTRACTOR INTER-RELATIONSHIP

It is recognized and agreed that information must be provided to and obtained from other participating contractors in the performance of the work set forth under PART I. The Contractor will decide on the appropriateness of data to be exchanged in the event of conflict between other contractors.

GENERAL PROVISIONS

The General Provisions of this contract shall consist of the following clauses:

a. All the clauses of Section A of Contractor's Basic Agreement Contract No. AF33(657)-5020 filed with SB-3662, said contract being incorporated herein by reference, except as revised as follows:

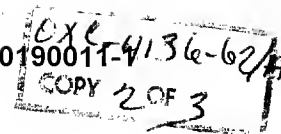
(1) Clauses A.8 and A.40 are deleted in their entirety.

(2) Clause A.10 - Examination of Records, is amended by Substituting the words "Contracting Officer" whenever the words "Comptroller General of the United States" appears.

b. The following clauses of Section B of said Basic Agreement are incorporated herein:

B.2, B.4, B.6, B.13, B.14, B.19, B.21, B.22, B.32, B.35

c. All the clauses of Section D of said Basic Agreement.



7 January 1963

To: Contracting Officer

Subject: Contract No. DK-3663

In the belief that you will find it satisfactory to incorporate the two corrections noted below, we have executed and return herewith the subject contract.

The requested corrections are:

On page 4, change delivery date from 2 to 21 January 1963; and

On page 6, change anticipatory cost date from 1 October 1962 to 5 July 1962 (the costs between the two dates are approximately \$8,500.).

We would appreciate either your authorization for us to make such corrections in our copy, or your sending us substitute pages, as you prefer.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Bob".

Bob

CONCURRENCE:

A rectangular box with a black border, used to redact the signature of the Contracting Officer.

Contracting Officer

25X1A